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SPECIAL STUDIES ON 1996 CENSUS DATA:

CANADIAN HOUSEHOLDS IN CORE HOUSING NEED AND SPENDING AT LEAST HALF THEIR INCOME ON SHELTER

Introduction

CMHC is responsible for monitoring housing conditions and providing up-to-date information to inform and assist decision-making, planning and policy formation by industry, all levels of government and non-profit organizations.

This is one in a series of concise studies that explore the housing conditions of households reported by the 1996 Census of Canada. This study examines private, non-Native households living neither on farms, nor on Reserves nor in Band housing which were in core housing need (as defined below) and were spending **at least half** their income on shelter.¹

Commonly used terminology

Most Canadians have access to a dwelling unit that is **adequate** in condition (does not require major repairs), **suitable** in size (has enough bedrooms) and **affordable** (shelter costs are less than 30 percent of before-tax household income). Some Canadians live in dwellings which do not meet one or more of these standards. In some cases these households could afford to rent alternative housing which meets all three standards; in some cases they cannot. A household is said to be in **core housing need** if its housing falls below at least one of the adequacy, suitability or affordability standards **and** it would have to spend 30 percent or more of its income to pay the average rent of alternative local market housing that meets all three standards. More details on terminology, data definitions and national level data are provided in the first study in this series: *Canadian Housing Conditions* (Research Highlights Issue 55-1).

Findings

Background

As reported in the first study in this series (Research Highlights Issue 55-1), in 1996 over 68% of the 9.8 million non-farm, non-Native households studied lived in dwellings which meet or exceed all housing standards. In addition to these 6.7 million households, another 1.4 million households were living in accommodation which did not meet one or more of the standards but had the financial means to rent alternative local market housing that meets all three standards without spending 30 percent or more of their before-tax income on shelter costs. The other 1.7 million households, just under 18% of the households studied, were in core housing need as defined above.

38% of households in core need were spending at least half of their income on shelter

In 1996, there were about 656,000 households in core housing need which spent at least half their before-tax household income on shelter. These constituted under 7% of the 9.8 million households studied, or about 38% of the 1.7 million households in core need.

This study examines the characteristics of these households, which for ease of reference we will refer to as "INALH" (In Need and spending At Least Half of income on shelter) households.



HOME TO CANADIANS
Canada

Table 1: INALH Households

Province	1996			1991		
	All households studied	INALH Households	INALH HH as % of all HH in province	All households studied	INALH Households	INALH HH as % of all HH in province
	(000s)	(000s)	%	(000s)	(000s)	%
Newfoundland	173	9	4.9%	166	6	3.7%
PEI	45	2	4.7%	41	2	4.0%
Nova Scotia	320	20	6.2%	302	14	4.7%
New Brunswick	254	12	4.6%	239	9	3.9%
Quebec	2,602	192	7.4%	2,422	135	5.6%
Ontario	3,630	255	7.0%	3,337	139	4.2%
Manitoba	346	15	4.2%	336	12	3.7%
Saskatchewan	292	11	3.9%	284	10	3.6%
Alberta	857	41	4.8%	782	32	4.1%
B.C.	1,275	99	7.7%	1,114	61	5.5%
NWT/Nunavut	8	*	3.2%	7	*	3.3%
Yukon	9	*	4.2%	7	*	2.0%
Canada Total	9,810	656	6.7%	9,038	422	4.7%

* less than 500 households

INALH households are households in core housing need which spent at least half their before-tax income on shelter.

The Census did not collect data on the assets of households. Therefore no information is available regarding the assets of households in core need or of INALH households.

The largest numbers of INALH households were in Ontario, Quebec and British Columbia (see Table 1). These provinces also had the highest percentages of their households being INALH households. The percentages of households which were INALH ranged from 3% in NWT (including Nunavut) to about 8% in BC.

Characteristics of INALH Households

INALH households tended to:

- be tenants;

About 3.4 million (35%) of all the households studied were tenants in 1996. Of these tenant households, some 457,000 (13%) were INALH households (see Table 2).

The percentages of tenant households which were

Table 2: INALH Tenant Households

Province	1996			1991		
	All tenant households studied	INALH tenant households	INALH tenant HH as % of all tenant HH in province	All tenant households studied	INALH tenant households	INALH tenant HH as % of all tenant HH in province
	(000s)	(000s)	%	(000s)	(000s)	%
Newfoundland	37	5	14.0%	34	4	11.1%
PEI	12	1	11.5%	11	1	10.9%
Nova Scotia	89	13	14.9%	85	9	11.0%
New Brunswick	63	7	11.3%	59	6	9.9%
Quebec	1,091	148	13.6%	1,051	107	10.2%
Ontario	1,242	173	14.0%	1,174	98	8.3%
Manitoba	102	10	9.8%	105	9	8.2%
Saskatchewan	83	8	9.2%	83	6	7.0%
Alberta	265	25	9.6%	275	22	8.0%
B.C.	418	65	15.7%	385	44	11.5%
NWT/Nunavut	4	*	3.7%	4	*	4.0%
Yukon	3	*	6.4%	3	*	2.7%
Canada Total	3,409	457	13.4%	3,270	307	9.4%

* less than 500 households

INALH tenant households are tenant households in core housing need which spent at least half their before-tax income on shelter.

Table 3: INALH Owner Households

Province	1996			1991		
	All owner households studied	INALH owner households	INALH owner HH as % of all owner HH in province	All owner households studied	INALH owner households	INALH owner HH as % of all owner HH in province
	(000s)	(000s)	%	(000s)	(000s)	%
Newfoundland	136	3	2.5%	132	2	1.8%
PEI	33	1	2.1%	30	*	1.6%
Nova Scotia	232	7	2.8%	218	5	2.2%
New Brunswick	191	5	2.4%	179	3	1.9%
Quebec	1,510	44	2.9%	1,371	28	2.0%
Ontario	2,388	82	3.4%	2,163	41	1.9%
Manitoba	244	5	1.9%	231	4	1.7%
Saskatchewan	209	4	1.8%	201	4	2.1%
Alberta	592	16	2.7%	507	10	2.0%
B.C.	857	33	3.9%	730	17	2.3%
NWT/Nunavut	4	*	2.5%	3	*	2.1%
Yukon	6	*	3.1%	4	*	1.7%
Canada Total	6,400	199	3.1%	5,768	115	2.0%

* less than 500 households

INALH owner households are owner households in core housing need which spent at least half their before-tax income on shelter.

INALH households ranged from under 4% in NWT (including Nunavut) to almost 16% in BC. INALH tenant households constituted about 39% of the 1.2 million tenant households in core need. Tenant households accounted for 70% of all INALH households in 1996, whereas, as noted above, tenant households comprised 35% of all the households studied.

Some 6.4 million households (65% of all the households studied) owned their own accommodation in 1996. Of these owner households, 199,000 (3%) were INALH households (see Table 3). The percentages of owner households which were INALH households ranged from under 2% in Saskatchewan to almost 4% in BC. INALH owner households constituted about 36% of the 553,000 owner households in core need. Owner households accounted for 30% of all INALH households in 1996.

- **be disproportionately younger;**

INALH households were disproportionately younger. Over one-fifth (21%) of all INALH households had a primary maintainer in the 15-29 year old age group, compared to 11% for all households studied and 18% for all households in core need (see Table 4). For INALH tenant households, 26% had a primary maintainer in this age group.

Correspondingly INALH households had relatively fewer primary maintainers in the 45-64 and senior (65+) age groups.

- **be non-family households, or lone-parent family households with a child under 18;**

Over half (51%) of INALH households were non-family households, compared to 29% of all households studied. For INALH tenant households this was even higher, at 60%. Conversely, of course, INALH households had much lower relative percentages of family households (49% versus 71% of all households studied).

INALH and INALH tenant households also had relatively higher percentages of lone-parent families (19% and 21%, respectively) than that for all households studied (9%). Conversely, INALH and INALH tenant households had much lower relative percentages of couples (29% and 19%, respectively versus 61% for all households studied).

Similarly, INALH and INALH tenant households had relatively larger numbers of lone-parent families with at least one child under 18 years of age (16% and 19%, respectively, compared to 6% for all households studied), but much lower percentages of couples with children under 18 years of age (15% and 10%, respectively, versus 28% for all households studied).

- **have lower income;**

INALH households were concentrated in lower income groups: 34% had incomes under \$10,000 (compared to 4% of all households studied), and 52% had incomes in the range of from \$10,000 to under \$20,000 (compared

Table 4: Household Characteristics

	All HH studied	HH in Core Need	All INALH Households	INALH Tenant HH	INALH Owner HH
Number of HH (000s)	9,810	1,726	656	458	199
Average 1995 income (\$)	51,203	16,226	13,328	11,590	17,329
Average shelter cost (\$/month)	690	607	723	620	960
Average STIR	22	48	67	66	68
Characteristic	% of all HH studied	% of HH in core need	% of all INALH HH	% of INALH Tenant HH	% of INALH Owner HH
Age of primary maintainer					
15-29	11	18	21	26	8
30-44	35	31	35	33	38
45-64	33	25	28	23	38
65+	21	26	17	18	16
Household type					
Family	71	49	49	40	68
- Couples	61	30	29	19	52
- Lone-parent family	9	18	19	21	15
- Multi-family	1	1	1	*	1
Non-family	29	51	51	60	32
Households with at least one child below 18 years old					
All such households	34	30	32	29	39
- Couples	28	15	15	10	28
- Lone parent	6	15	16	19	11
- Multi-family	1	1	1	*	1
Household income in \$000s					
Less than 10	4	18	34	39	20
10 to less than 20	16	56	52	55	46
20 to less than 30	14	20	11	5	24
30 to less than 40	13	5	3	1	9
40 to less than 50	12	1	*	*	1
50 and over	41	*	*	*	*
Major (i.e. biggest single) source of income					
Paid employment	64	34	31	27	41
Self employment	4	4	5	3	10
Income from government	22	56	58	65	41
Other income	10	6	6	5	9
Labour force status of primary maintainer					
In labour force					
- employed full-time	55	30	29	23	44
- employed part-time	9	12	12	12	13
- unemployed	5	10	13	16	8
Not in labour force	31	49	45	49	36
Type of dwelling					
Single-detached	57	31	29	13	68
Apartments	27	51	52	70	13
- with 5 or more stories	9	17	17	23	5
- with less than 5 stories	18	34	35	47	8
Other	16	18	18	18	19
Need for repair					
Major repairs needed	8	16	11	10	12
Tenure					
Owner					
- with mortgage	34	19	25	n.a.	81
- without mortgage	31	13	6	n.a.	19
Tenant	35	68	70	100	n.a.

* less than 0.5%

to 16% of all households). The corresponding percentages for INALH tenant households were even larger at 39% and 55%, respectively.

About 97% of INALH households and 99% of INALH tenant households had incomes under \$30,000 compared to 34% of all households studied. Correspondingly, less than 0.5% of INALH and INALH tenant households had incomes of \$40,000 or more, compared to 53% of all households.

The average incomes of INALH and INALH tenant households were \$13,328 and \$11,590, respectively, compared to \$51,203 for all households studied and \$16,226 for all households in core housing need.

Thus the average income for INALH tenant households was less than one-quarter (23%) of the average income of all households studied.

- **and rely on income from government.**

INALH households were less likely to have their major source of income being paid employment, and more likely to have income from government as their major source of income. About 31% of INALH households and 27% of INALH tenant households identified paid employment as their largest single source of income, compared to 64% of all households studied. Income from government was the major source of income for 58% of INALH households and 65% of INALH tenant households compared to 22% of all households studied.

The primary maintainer of INALH households was less likely to be employed full-time, and more likely to be unemployed. The primary maintainer was employed full-time in 29% of INALH households and 23% of INALH tenant households, compared to 55% of all households studied. The primary maintainer was unemployed in 13% of INALH households and 16% of INALH tenant households, compared to 5% of all households studied.

INALH households were:

- **more likely to live in apartments, particularly low-rise;**

Over half (52%) of INALH households lived in apartments (compared to 27% of all households studied), with 17% residing in high-rise buildings and 35% in low-rise (compared to 9% and 18%, respectively, of all households). About 70% of INALH tenant households lived in apartments: 23% in high-rise and 47% in low-rise.

- **less likely to live in single-detached dwellings;**

Correspondingly, only 29% of INALH households lived in single-detached houses (compared to 57% of all households studied). INALH tenant households were even less likely (at 13%) to live in single-detached houses.

- **and more likely to live in dwellings needing major repairs.**

11% of INALH households (and 10% of INALH tenant households) lived in dwellings needing major repair. Although this was a higher percentage than that (8%) for all households, it was lower than that for all households in core housing need (16%).

Changes from 1991 to 1996

In 1991 there were some 422,000 INALH households, constituting some 5% of the 9.0 million households studied (see Table 1). The percentages of INALH households ranged from 2% in Yukon to about 6% in Quebec. INALH households amounted to about 38% of the 1.7 million households in core need in 1996, and about 35% of the 1.2 million households in core need in 1991.

Between 1991 and 1996, the number of INALH households increased by some 235,000 (56%), while the percentage of INALH households (as a percentage of all households) increased by about 2 percentage points (i.e. from about 5% to about 7%).

There were some 307,000 INALH tenant households in 1991, constituting 9% of the 3.3 million tenant households (see Table 2). The percentages of INALH tenant households ranged from under 3% in Yukon to almost 12% in BC. INALH tenant households amounted to about 36% of the 856,000 tenant households in core need in 1991.

Between 1991 and 1996, the number of INALH tenant households increased by some 151,000 (49%), and the percentage of INALH tenant households (as a percentage of all tenant households) increased by about 4 percentage points (i.e. from 9% to 13%).

In 1991, there were about 115,000 INALH owner households, amounting to 2% of the 5.8 million owner households (see Table 3). The percentage of INALH owner households was close to 2% in all provinces. INALH owner households constituted about 34% of the 340,000 owner households in core need in 1991.

Between 1991 and 1996, the number of INALH owner households increased by some 84,000 (73%), and the percentage of INALH owner households (as a percentage of all owner households) increased by about 1 percentage point (i.e. from 2% to 3%).

About 70% of INALH households were tenants and 30% owners in 1996, compared to 73% and 27%, respectively, in 1991.

There may have been improvements since 1996

An earlier issue in this series (see Research Highlights 55-5) noted that while housing affordability worsened between 1991 and 1996, there has been steady improvement in Canada since 1996 in several of the factors usually associated with affordability problems. These include increased annual personal incomes, higher labour force participation rates, lower unemployment rates, and moderation in average annual rent increases. While any reduction in core housing need since 1996 cannot be confirmed until the results of the 2001 Census become available, the improvement in these factors should act to reduce the extent of the affordability problem and core housing need reported in the 1996 Census.

Conclusion

In 1996 almost 7% of households were in core need and spending at least half their before-tax household income on shelter, constituting about 38% of the 1.7 million households in core need. The bulk of these households were tenants, and the provinces with the highest concentrations were British Columbia, Quebec and Ontario.

Households in core need and spending at least half their before-tax household income on shelter tended to be tenants, younger households, non-family households or lone-parent family households with a child under 18, have lower income and rely on income from government. In comparison with all the non-farm, non-Native households studied, these households were more likely to live in apartments, particularly low-rise, and in dwellings needing major repairs, and less likely to live in single-detached dwellings.

Between 1991 and 1996, the increase in households in core need and spending at least half their income on shelter was greater than the increase in all households in core need. Most of the increase involved tenant households. There are reasons to believe that housing conditions may have improved since 1996.

Notes:

1. It examines only households which reported positive income and shelter costs less than their income. For details on other households excluded from consideration, see the first study in this series: *Canadian Housing Conditions* (Socio-economic Research Highlights, Special Studies on 1996 Census Data, Issue 55-1). Income data from the Census refers to the previous year; e.g. the 1996 Census collected data on 1995 income.

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